

**INSTRUCTIONS FOR FY-2009  
SPECIAL EDUCATION EXPENDITURE REPORT**

**PURPOSE:**

The Special Education Expenditure Report serves the following purposes:

- (1) provides a summary of special education costs for the fiscal year through the end of the reporting period for each reporting entity (Page 1 - Part I);
- (2) shows the expenditures for specific grants to eliminate costs covered by grant sources from amount eligible for State formula reimbursement, report the amount of Mainstream Block Grant and EEE Grant used and report expenditures on Regional I-Team Consultant grants so that grant payments can be made (Page 1 - Part II);
- (3) reports costs eligible for special education expenditures reimbursement for the reporting entity apportioned to the member school districts so that reimbursement can be calculated (Page 2);
- (4) provides at the end of the year information on the cost of special education students who are residentially placed at school district expense (Worksheet C);
- (5) bills the State for reimbursement for special education cost incurred in providing IEP services to State-Placed students so that reimbursement can be calculated (Worksheet A); and
- (6) provides information on special education cost for students that qualify for extraordinary reimbursement so that reimbursement can be calculated (Worksheet B).

**REPORTING PERIODS:**

The reports are **cumulative** from the beginning of the fiscal year. The reporting schedule for FY-2009 is as follows:

| <u>Reporting Period</u>          | <u>Due Date</u>   |
|----------------------------------|-------------------|
| July 1, 2008 - October 31, 2008  | November 17, 2008 |
| July 1, 2008 - February 28, 2009 | March 16, 2009    |
| July 1, 2008 - June 30, 2009     | August 3, 2009    |

**PENALTY-** The Legislature created a penalty for the late filing of the final Special Education Expenditure Reports. The reason for the penalty is to ensure all reports are filed on time as the final payments for all school districts cannot be calculated until all reports are received. The penalty is \$100 per State business day for each supervisory union pursuant to 16 V.S.A. §2968 (b). The rules relating to the penalty are in SBE Rule 2366.4.

**REPORTING ENTITIES:**

The Special Education Expenditure Report is to be completed by each town school district, union school district, joint contract district and supervisory union which pays directly for special education services. Each school district which is awarded a Mainstream Block or an EEE Grant must submit a report even if the district does not have expenditures to report.

This set of forms is designed for each reporting entity to reflect the special education transactions on its books. The forms are also designed to show costs which are duplicated across reporting

entities (such as assessments) so they can be eliminated in the final calculations. The information from all reporting entities within the supervisory union is combined to calculate formula funding.

### ***INFORMATION SHEET:***

At the beginning of each fiscal year, the supervisory unions are asked to notify the Department of Education of their reporting entities for the year. A pink form is included in this package for that purpose. This procedure lets the Department know which reports to expect. The information sheet also lists who the department staff should contact with questions about the report and to whom information about the payments based on the reports should be mailed. The deadline for submission of the Information Sheet for the FY-2009 is October 1, 2008.

### ***GENERAL REPORTING INSTRUCTIONS:***

The Special Education Expenditure Report is to be prepared in accordance with Handbook II and based on information from the general accounting system of the school district or supervisory union.

This report is an accrual based report. The report is to include costs that are for this fiscal year only, even if those costs were paid for outside of the fiscal year. Expenditures for prior fiscal years require that the appropriate fiscal year report be amended; prior year expenditures are not to be included here. The final report should include all the salaries and benefits earned through June 30<sup>th</sup> even if they are actually paid after June 30<sup>th</sup>. The final report should also include the costs of service provided through June 30<sup>th</sup> or goods received for use prior to June 30<sup>th</sup>. These costs should be encumbered as of June 30<sup>th</sup> so that the costs are charged to the year in which services or goods were provided.

The reports from a supervisory union need to be consistent for that supervisory union and its member school districts by using either whole dollars or using dollars and cents. Pages 1 and 2 and Worksheets A and B all need to use the same convention of either rounding to whole dollars or using dollars and cents.

### ***INSTRUCTIONS FOR PAGE 1 - PART I:***

#### ***GENERAL***

This section includes **all expenditures incurred to provide special education direct instruction, related services, and special education administration cost in accordance with IDEA and State Board Rules. Generally, these are the costs of educational services provided specifically for students with disabilities as required by their IEPs and the related costs of administering the special education services and the eligibility process.** The cost of regular education services is not to be included even if they are for special education students. This report is to cover the cost of providing special education services, not the total education costs of students with disabilities if part of those costs is for regular education services.

## **EXPENDITURES BY PROGRAM – K-12 Eligible, K-12 Ineligible and Pre-School Special Education**

The special education expenditures are reported by the three categories K-12 Eligible, K-12 Ineligible and Pre-School. The Eligible and Ineligible column are to include all costs relating to special education for students K-12. The Pre-School column is used to report all costs relating to special education for young children not yet enrolled in Kindergarten. It is important that this breakdown is captured through the school's expenditure accounting code structure so that the reports can be produced in a timely and accurate fashion and that detail information is available when required for audits or other reasons.

### **Eligible K-12 Special Education (Program 211 for Elementary and Secondary Levels)**

This column includes costs of providing special education services for **K-12 students** in accordance with State Board of Education Rule 2366.2. Any costs relating to the provision of special education services to students not yet enrolled in Kindergarten are to be coded to the PreK/EEE level and reported in the preschool column. The Technical Guide for Special Education Cost Documentation is the guide to what can be reported as eligible K-12 costs and is available on the Department of Education Web site.

In order to charge the salaries and benefits of staff as “Eligible K-12 Special Education”, the staff must be providing specialized instruction or related services for K-12 students or performing other related special education work such as evaluations, case management and administration. Professional staff charged to special education need to be licensed special educators or be appropriately credentialed for the specialized instruction or related service that they are providing. The school district needs to base the portion of the salary and benefits charged to special education based on the actual work performed by each staff member – i.e., the staff documentation prepared for the year. If the special education staff person provides services to preschool children, then the portion of salary and benefits relating to preschool services needs to be reported in the preschool column. The rules for determining the portion of K-12 services that is an eligible cost depends on whether the time is designated as core staff time or not. The documentation requirement is different for staff providing services in a mainstream setting than in either a self-contained special education class or separate day program. In the mainstream setting, staff members with 100% of their time designated as core staff time can document their time using a sample weekly schedule and caseload list. All other special education staff must document their time through two-week time studies. The Technical Guide provides detailed information about the staff documentation requirements and how to calculate the amount of salary and benefits that can be reported as eligible cost based on the staff documentation.

The general concept is that for a cost to be a special education cost is that it is a required service by the student's IEP. This means that it is important that the IEP has an accurate list of the specialized instructional and related service provided to a student. It also means that it is important to confirm that services are actually listed in the individual students' IEPs before the cost for those services are charged as special education costs. For example, the transportation to a special education program is a special education cost as long as it could not be provided through the regular school bus routes **and it is listed on the service page of the student's IEP.**

The following is the text of the allowable cost rules as of September 17, 2007:

### **2366.2 Allowable Special Education Expenditures for State Formula Reimbursement**

These rules define expenditures eligible for state reimbursement for special education provided to a school district's kindergarten through 12th grade resident students and for the extraordinary cost for essential early education students under the following funding provisions:

- (a) Mainstream Block Grant and matching funds pursuant to 16 V.S.A §2961;
- (b) Extraordinary Services Reimbursement and the matching local funds pursuant to 16 V.S.A. §2962; and
- (c) Special Education Expenditures Reimbursement pursuant to 16 V.S.A. §2963.

The cost of providing special education services for Vermont state-placed students that is not covered by State-Placed Student reimbursement pursuant to 16 V.S.A. §2950(a) can be claimed as long as the cost is an eligible cost based on the following definitions.

#### **2366.2.1 Instructional Services**

Unless otherwise provided by this rule, expenditures for instructional services shall be allowable if required by a student's IEP and shall include:

(1) Salaries and benefits of licensed special education teachers including vocational special needs teachers, and instructional aides for the time they carry out special education responsibilities. For these staff members, the allowable cost that a school district can claim includes a school period or service block during which their staff member is providing services to a group of eight or fewer students and the majority of the students are receiving specialized instruction or speech/language services in accordance with their IEPs. If the majority of the small group is not receiving IEP services, then only the portion of the school period or service block relating to the number of students receiving IEP services to the total number in the group is allowable.

(a) The core staff level shall be established by the Commissioner for each school district. The full-time equivalent number of licensed special education teachers and special education program aides employed for providing mainstream special education services during school years 1990-1991 and 1991-1992, shall be utilized to determine each school district's core level staff.

(b) For the salaries and benefits of the core staff to qualify as allowable costs, the staff must be providing: special education services; supplementary aids and services pursuant to Section 504 of the Rehabilitation Act; direct services to students in need of classroom support as determined by the Educational Support Team; or consultation services to meet the needs of students eligible for special education services, Section 504 services or educational support services;

(2) Salaries and benefits for services of individual aides for the portion of time they carry out special education responsibilities;

(3) Contracted services to provide special education instruction to students with disabilities;

(4) Student transportation which is required to implement a part of the instructional program for students with disabilities;

- (5) The portion of non-collaborative tuition of special education programs and excess costs charged by public schools which relate to allowable costs;
- (6) The collaborative tuition for special education programs charged by public school districts or supervisory unions;
- (7) Tuition and all reasonable and necessary costs of placement, as defined in Rule 2366.2.5, excluding any regular education tuition in an independent school approved for the purpose of providing special education in accordance with 16 V.S.A. §2958(e) and Rule 2228, et seq.;
- (8) Travel of special education personnel relating to educating students with disabilities as allowed by their local contractual agreement;
- (9) Special textbooks, workbooks, other classroom supplies and other instructional materials for a student with disabilities to the extent required by a student's IEP; and
- (10) The reasonable cost of rental, purchase and maintenance of specialized equipment for a student with disabilities required by the IEP and not otherwise available at no cost to the parent through any other sources.

#### **2366.2.2 Related Services**

Expenditures for related services are allowable if:

- (1) They are for services defined as related services in federal and state law;
- (2) The expenditure is for a related service required by the student's IEP, including transportation to and from home for students with disabilities who cannot be accommodated by regular school bus service;
- (3) The expenditure is for services provided by personnel beyond those required by the nonspecial education School Quality Standards (e.g. counseling, nursing); and
- (4) The expenditure is not reimbursed by another source.

#### **2366.2.3 Special Education Administration**

Allowable expenditures for special education administration are as follows:

- (1) Salary and benefits of special education administrators and support staff for time dedicated to administration of the educational program for students with disabilities. However, if a supervisory union/district elects not to hire a special education administrator and is implementing an alternative organizational plan for the provision of special education administration for a given school year, in order for the cost to be considered an allowable expenditure, the plan must be approved by the Department of Education. The plan shall include a description of the functions and the responsibilities of the staff assigned to special education administration; the time spent on these functions; and the estimated costs to be allocated to special education administration;
- (2) Supplies, office expenses and equipment for special education administration;
- (3) Cost of inservice activities relating to special education up to a maximum amount per year established by the Commissioner;

- (4) Expense of a telephone in a special education classroom; and
- (5) Advertising expenses in an amount not to exceed \$3,000 annually per supervisory union.

#### **2366.2.4 Evaluation Costs**

Reasonable and necessary expenditures are allowable for diagnostic medical services, other tests, and associated costs when part of a comprehensive evaluation, re-evaluation, or independent evaluation.

#### **2366.2.5 Costs of Placement in Approved Independent Schools**

(a) Subject to (b), reasonable and necessary costs, required by a student's IEP, excluding regular education tuition, of a placement in an independent school are allowable if either:

- (1) The independent school is approved by the State Board of Education for purposes of providing special education pursuant to Rule 2228 for the category of disability under which the student was determined to be eligible for special education and has been reviewed and received reimbursement approval through the residential review process;
- (2) The student's placement has been recommended for reimbursement either through the residential review process or as an exception by the Commissioner pursuant to Rule 2228.2.(2) of a high cost day or residential placement; or
- (3) The student's placement is required by a due process hearing order issued following a hearing on the merits or a court order.

(b) Costs approved by the State Board of Education at an independent school are only allowable if covered by a written agreement pursuant to Rule 2228.4.1 and at a rate approved under Rule 2228.8 or for an out of state placement, the rates approved under that state's approval system.

(c) If the costs relating to a student's attendance at an independent school or program are pursuant to a legally binding settlement agreement, the parties must, at a minimum, make reference in the IEP to the settlement agreement as the means by which the parties have agreed to resolve placement differences. The agreement must provide for annual review by the parties of any resolution of placement issues.

**Ineligible Special Education (Program 212 for Elementary and Secondary Levels ):** This column includes all costs legitimately coded to Special Education which are for K-12 students but which are not eligible for formula reimbursement (SBE Rule 2366.2). Costs which are specifically to be included as ineligible are:

- 1. attorney's fees and other legal costs;
- 2. overhead and indirect costs for financial accounting and auditing; building related costs; and all administrative costs except special education administration;
- 3. cost of positions required by the non-special education School Quality Standards (such as nurse and guidance counselor) even if those positions provide services for students on IEPs;
- 4. advertising costs in excess of \$3,000 per fiscal year per supervisory union;
- 5. in-service costs in excess of \$3,000 per fiscal year per supervisory union;
- 6. tuition to an unapproved school or program unless an exception is granted by the Commissioner;

7. any portion of a non-collaborative tuition relating to ineligible costs;
8. technical education tuition or any regular education tuition;
9. cost of students after their 22nd birthday unless an extension was approved by the Commissioner;
10. assessment for special education services charged by a supervisory union or union school; and
11. services provided in accordance with an individual services plan to eligible parentally-placed students (including costs paid from IDEA-B proportionate share funds).

The costs listed above are ineligible for the three parts of the State Funding Formula-Mainstream Block Grant, Special Education Expenditures Reimbursement, and Extraordinary Reimbursement.

Ineligible costs may in some cases be charged to certain specific State or Federal grants. For example, the proportionate share amount of the IDEA-B grant is required to be used for providing special education and related services to students parentally placed in independent schools. The cost of providing special education and related services to students with services plans are reported in the ineligible column. For ineligible costs charged to federal or other grant funds, the amount charged to the grant will also be shown in the ineligible column for the grant line. For example, if \$2,300 of the IDEA-B 4226 grant funds were used for contracted tutoring for students on services plans, then the \$2,300 would show in the ineligible column on the direct instruction – on the 1000-300 line in Part I and also on the 4226 line in Part II.

**Pre-School Special Education:** This column includes the costs of pre-school educational services provided specifically for children with disabilities on IEPs. This will also include the cost of child find activities including special education evaluations for children birth up to kindergarten. The costs of Pre-School Special Education programs and services is included whether they are paid from State funds, Federal (IDEA-B, Pre-School or Infants & Toddlers) funds or Education Spending grant funds. For early childhood programs that include services to both IEP and non-IEP children, the cost of the program reported as special education is limited to the portion of the costs that relate to the IEP services for special education students. So if a morning preschool session provides IEP services for three students under the supervision of a Special Educator and the program serves a total of six, then ½ of the cost of the morning program would be considered special education costs.

The categories of expenditures shown for “Eligible” costs above generally apply to the “Pre-School” column also. One exception is that the State funding for core staff and staff documentation requirements apply only to K-12 staff. However, school districts are required to maintain documentation for staff paid from federal funds to show that they are performing duties chargeable to the federal grant. Pre-school special education costs can include the portion of building costs (rent, utilities, etc) relating to EEE services.

A line is provided for the non-special education costs which are charged to the State EEE Grant (Revenue Code 3204) under SBE Rule 2366.8.3(b). Costs incurred for **preschoolers** not determined special education eligible should be included on this line if the costs were paid from the EEE grant.

## **EXPENDITURE CODES**

The expenditures are to be reported by Handbook II - Function/Object Codes. It is extremely important that the Business Office and Special Education administrative personnel maintain communication regarding changes in personnel and students during the year. These changes in staff and staff assignments and students' eligibility have an impact on the reporting of special education costs.

## **FUNCTION CODES**

The costs are to be reported by the function codes shown on the reporting form. The description is listed along with the code. For further definition of the function codes, refer to Handbook II or the Annual Statistical Report.

## **OBJECT CODES**

For the Direct Instruction function code (1000), the costs need to be divided between the major object codes – 100 through 900. The Student Support Services function code (2100) is divided between equipment (700) and all other object codes (100-900 except 700). For further definitions of object codes, refer to Handbook II or the Annual Statistical Report.

The category “Non-special education costs charged to the State EEE grant” is available to use in the “Pre-School Special Education” column. Any expenditure charged to the EEE grant that are not special education costs need to be reported on this line. So this line is used only if some of the EEE grant funds are used for providing services to 3-5 year old students at risk of school failure as is allowed by SBE Rule 2366.8.2. If there are expenditures that fit that definition, then those expenditures are reported on that line instead of in the function/object code lines above.

**Total Special Education:** This column is the total of the three columns:

Eligible K-12 Special Education,  
Ineligible K-12 Special Education, and  
Pre-School Special Education.

The Total Special Education Expenditure line should be the total of the expenditures in Part I of the form.

## ***INSTRUCTIONS FOR PAGE 1 - PART II:***

**This section shows the amount of funds used from various revenue sources to cover expenditures shown in Part I. This section is not used to report revenue received.**

### **Expenditures Charged To Federal Grants:**

For the Federal Grants section, indicate the expenditures in Part I that are being charged to each grant. There are five categories shown: IDEA-B Basic Flow Through (4226), IDEA-B Pre-School Flow Through (4228), Infants & Toddlers (4235), and two lines with "Grant Award #" for listing other projects. All federal grant expenditures need to be tracked in the school district's accounting system using either a fund code or project ID. The amount of funds used should be shown under the appropriate columns: “K-12 Eligible,” “K-12 Ineligible” and “Pre-School.”



Funds sub-granted by the supervisory union are not to be shown as expended by the supervisory union. The member school district which received the funds reports the amount of its expenditures charged to the sub-grant on the appropriate federal grant line. This will eliminate duplication of funds and means that the total grant expenditures for the year are the total of the amounts reported across the reporting entities for the supervisory union.

The information in this section is submitted so that the total cost is collected but the amount of Federal funds used is eliminated from the calculation of State formula funding. Funds for these Federal projects should be requested using SDE 1.1 form on a quarterly basis. For the final SDE1.1 for either IDEA-B project (4226 and 4228) to be acceptable, the amount included as spent for the project on the Special Education Expenditure Report must match the total of expenditures on the final SDE1.1.

### **Expenditures Charged To State Funds and Match:**

*Mainstream Block Grant (3201)* - Enter the amount of the State Block Grant award that you consider spent by this school district. (For multi-district supervisory unions, no amount is shown on this line as they do not receive the grant.) Since you are not required to do separate accounting for these State funds, this figure can be an arbitrary portion of the eligible special education cost incurred until the final report. On the final report, the total of the grant for the school district should be reported in this block unless the district did not incur sufficient special education costs to use all their Mainstream Block Grant and match funds. For the few school districts which do not spend all their Mainstream Block Grant funds, 60% of the eligible K-12 expenditures not covered by other grants or exclusions should be listed here. If the school district operates a school and did not spend all of its Block Grant and match for special education, the school district may spend the remaining Block Grant and match for support and remedial services. If the school district spends funds in this way, they must submit a separate report describing the support and remedial services provided and the cost with their final report.

*Local Block Grant Match* - Calculate the match required for the amount of Mainstream Block Grant shown on the line above by dividing Mainstream Block Grant amount by 0.6 then multiplying the result by 0.4. The total match for the year is listed on the Mainstream Block Grant award.

*State-Placed Student Cost (Worksheet A)* - Enter amount shown on Worksheet A as the "Total Special Education Cost Eligible for State-Placed Students Reimbursement" in the "Total Special Education" column. The cost must be broken down between the three columns. If the student is in pre-school, the cost is reported in the "Pre-School" column. If the student is enrolled in kindergarten through 12th grade, the costs are shown in "Eligible" or "Ineligible". The costs shown under "Ineligible" would include the ineligible portion of a special education tuition charged by a public school. Instructions for Worksheet A start on page 11.

*Extraordinary Cost (Worksheet B)* – Enter the "Total Eligible Extraordinary Cost" from Worksheet B in the "Total Special Education" column. Break down the costs between the "Pre-School" and "Eligible" columns based on whether the student is in pre-school or kindergarten through 12th grade. Instructions for completing Worksheet B start on page 17.

*Essential Early Education Grant (3204)* – EEE grant funds expended can only be reported by the specific school district that was awarded the funds. The amount spent from the Essential Early Education (EEE) Grant for the reporting period is shown on the EEE grant line. This will show under the "Total Special Education" and "Pre-School" columns. For the final report, the amount shown as used by the school district on the EEE Grant line should be the whole grant amount unless the school district's Pre-School special education costs did not total to the grant amount. The total EEE cost for a school district can include (1) the amount that the school district itself spent excluding assessment and costs covered by other grants plus (2) the school district's share of Pre-School costs spent by the supervisory union.

*Other State or local Grants* - are entered on lines with "Grant Award #". Enter the four digit revenue code from the State grant award number as the description, and enter the amount of grant funds spent in the appropriate columns. Please be sure to include a Regional Educational Specialist Grants (3207) in this section for those school districts that have a grant. Act 230 Training Grants (3219), BEST Grants (3213), Medicaid reinvestment funds (5481), and EEI (3243) grants are included on the report only to the extent that costs covered by the grants are special education expenditures reported in Part I of the report. For miscellaneous state and local grants, include a brief description in the space after "Grant Award #".

**Expenditures Charged To Other Revenue:**

**The remaining section is used to eliminate expenditures included in Part I of the form which are claimed by a different reporting entity.**

*Special Education Tuition from other LEA's* - Enter special education tuition revenue received or due from other LEAs. For non-collaborative tuitions, you need to divide the amount collected between the "Eligible" and "Ineligible" columns based on the split in cost of the program between those categories. As the LEA paying the tuition will claim the reimbursement, that revenue is deducted here by the reporting entity offering the program so that the cost reported is the net cost to the reporting entity.

*Excess Costs from other LEA's* - Enter special education excess costs billed to other LEAs. Before final billings are done on excess costs for the year, the excess cost calculation needs to be redone using actual eligible cost for providing the services to ensure that the costs billed are justified.

*Assessment Paid to S.U. or Union School* - Enter the amount of supervisory union, union school district or joint contract district assessment included as an expenditure in Part I. For K-12 assessments, the reporting of the cost in Part I and the exclusion here should be in the "Ineligible" column. For the calculation of special education formula reimbursement, the share of the actual costs incurred by the supervisory union, union school district or joint contract district attributable to the school district (shown on Page 2) is used instead of the assessment which is based on a budget. This line is used to eliminate the any assessment costs shown as an expenditure in the top section of the form.

**Total Grant Expenditures & Other Exclusions** - Enter the total of Part II.

**Total Net Cost** - Enter the total of Part I less the total of Part II. Check that the total of the amounts in the last three columns equals the amount in the "Total Special Education" Column.

***INSTRUCTIONS FOR PAGE 2:***

***DISTRIBUTION TO SCHOOL DISTRICTS OF TOTAL NET COST FOR "ELIGIBLE K-12" AND "PRE-SCHOOL" COLUMNS***

This form requires that the “Total Net Cost” amounts from the “Eligible” and “Pre-School” columns on page 1 are distributed to school districts. This information is needed so that the reimbursement generated by these expenditures can be distributed to the appropriate school districts.

The costs are distributed based on how the member school districts contribute toward these costs. If the reporting entity is a town school district or a union school district, you will simply enter the school district’s LEA code, name and the two amounts from page 1. If the reporting entity is a joint contract district, an interstate school district or a multi-district supervisory union, the costs from page 1 need to be distributed to their member school districts. For each member school district, enter its LEA code (such as T001 for Addison Town School District or U005 for Vergennes Union High School), the school district name, and the amount of the school district’s share of the amount listed as “Eligible” and “Pre-School” on the “Total Net Cost” line from page 1. To determine that amount, use the reporting entity’s assessment percentages which are applicable to these special education costs. If there is no separate special education assessment, use the general assessment breakdown. Once the amounts for all of the member school districts are calculated, check that the total matches the page 1 amounts to the penny.

**NOTE: Page 2 must be completed for every reporting entity which submits a Page 1.**

**TWO VERSIONS OF WORKSHEET A**

There are two versions of Worksheet A included in the forms. The version on the legal size paper is to be used only with the reporting period ending the last day of February. The instructions apply to the letter size form. The only difference in the legal form is the final column which shows the total estimated cost for the fiscal year. This is the amount for each service that the school district has already incurred plus additional costs expected to be incurred. **Please use the appropriate form for each reporting period.**

***INSTRUCTIONS FOR WORKSHEET A:***

This form is a bill to the Vermont Department of Education for the special education costs of the State-placed students incurred by the reporting entity. The Worksheet A needs to provide the following student information: the full name of each student, date of birth and seven digit ID#. Each line requires the specific beginning and ending dates that the service being claimed was provided to the student. The description of the service must be specific and have enough information so that the Department can determine if it is a special education service and track the cost of special education services by category. The cost for each service must be calculated for the specific period being billed.

A State-Placed student is a Vermont student educated by a school district other than the district of residence of the child's parent(s) or guardian **as a result of a placement** by a State Agency, a designated community mental health agency or agency approved by the Commissioner. This

**does not** allow for reimbursement for students being educated by their home school district (based on the residence for the parent(s) or guardian), even if they are in State custody.

Costs Covered by State-Placed Student Reimbursement

This report is cumulative and will include all costs from the beginning of the year. The costs included on the report are limited to special education costs paid for by this reporting entity. The service(s) must be special education services required by the student's IEP or as part of a special education evaluation and actually have been provided to the student. The costs listed for reimbursement can include those for specialized instructional services, related services and special education evaluations.

You cannot bill the State for services paid for by Federal funds or other State grants. Regular education tuition or regular Technical Center tuitions can not be reported here as they are not special education costs. Also, the only ineligible cost that can be claimed for as a State-Placed student special education cost is the ineligible portion of a non-collaborative tuition.

Provide all of the following information for each special education service provided to each student:

**Student's Name:** Enter the first and last name of the student.

**Date of Birth:** Enter each student's date of birth in the mm/dd/yy format, such as 02/14/92 for February 14, 1992.

**Student ID Number:** Enter the student's seven digit identification number. (If you need an ID number for a new student, check with the school district person responsible for the student census.)

**Public School Enrolled In:** Provide the name of the public school the student was attending or enrolled in while receiving this service. If the student was attending a separate day program, a special class or receiving home tutoring, she/he is still considered enrolled in the public school for that district. For example, if the student attends the Baird Center you would still record Spaulding H.S. if that is the public school he would normally attend.

**Description of Services:** Please describe the special education services being provided to the State-Placed student in accordance with his/her IEP. The list on the following two pages shows a list of common service descriptions. Be sure to include all of the additional detailed information required for the service. If the service does not fit one of the categories listed, please provide a brief description of the service being provided. **Please note that the list has changed significantly for FY-2009 to include mainstream special education services.**

A separate line should be used for each separate service. So if the school district is paying for tuition, transportation and individual aide for one student, one line needs to be used for each of the separate services. Any tuition items need to clearly indicate the name of the program and the organization that operates the program. Too often the only information included about a tuition charge is who the vendor was which does not indicate the specific program that the student is attending. The only items listed as tuition would be for programs at independent schools that are

approved as special education programs or special class or separate day program offered by public schools.

Starting with FY-2009, school districts can claim special education instructional costs that have not been billable in the past. If the school district is paying special education tuition or excess cost to another school district, they would bill for the costs that they paid. If a school district is billing for their own staff, they can use the State allowed rate for specialized instruction. However, two worksheets have been prepared that school districts need to use when they are billing for portions of their staff for specialized instruction for State-Placed students and need to bill for more than the State allowed rate. One is for individual student services and one is for special education programs. These are:

- (1) IEP Instructional Cost Calculation Sheet and
- (2) District Special Education Program Calculation Sheet.

The forms and instructions for these are included after the service descriptions.

| Service Description and Additional Information to be Reported   | Definition of Services Included in Service Category  |
|---|--|
| <b>K-12 Special Educator Services I</b> – Case management only, during the school year<br><i>Worksheet A should include number of school days that are being billed.</i>  | Special education case management for students who are placed in special education separate day programs and special classes - State allowed rate for FY-2009 is \$20.60 per school day or \$3,600 for the school year.  |
| <b>K-12 Special Educator Services II</b> – Specialized instruction and case management during school year<br><i>Worksheet A should include number of school days that are being billed.</i>   | Specialized instruction and case management for students being provided mainstream special education in their school district – State allowed rate for FY-2009 is \$33.40 per school day or \$5,800 for the school year and is based on Special Educator and program aide services.  |
| <b>K-12 Special Educator Services III</b> - Individualized special instruction and case management for school year or extended school year<br><i>IEP Instructional Cost Worksheet and IEP needs to be submitted with Worksheet A claim.</i> | Specialized instruction and case management for students that have intensive special education programs and for which the school district and reimbursement calculated in above category would not be sufficient. The IEP Instructional cost worksheet must be used to calculate the amount of reimbursement claimed and must be submitted with the Worksheet A claim. |
| <b>K-12 Speech and Language Services</b> during the school year<br><i>Include in the description on Worksheet A the number of school days that are being billed.</i>  | Speech and language services provided directly by a Speech Language Pathologist or Speech Teacher or by an aide supervised by either a Speech Language Pathologist or Speech Teacher. State rate for FY-2009 is \$13.70 per school day or \$2,400 per school year.   |

| Service Description and Additional Information to be Reported  | Definition of Services Included in Service Category   |
|--|---|
| <b>K-12 Excess Cost for Special Education Instructional Services</b> – for Mainstream services billed by another LEA<br><i>Include a brief description of the specialized instructional services provided by the receiving school district and the name of the receiving school district</i>   | <p>For students that are tuitioned to another school district and receiving specialized instructional services, the school district may claim the excess cost charged to them for a State-Placed student using this category. However, if the excess cost charges include costs for services other than specialized instruction such as an individual aide, then those services need to be billed separately on Worksheet A.</p>  |
| <b>K-12 Contracted Individualized Instructional Services</b> – Specialized instruction and related services – school year, summer services or year round.<br><i>Indicate on Worksheet A, the name of the contracted service provider, including a copy of the contract and student's IEP with Worksheet A.</i>   | <p>Specialized instruction and related service required by student's IEP purchased through a contract from a Mental Health or private service provider. (This would include services previously categorized as of Wrap Around Services.)</p>  |
| <b>District Operated Special Education Program</b> – per pupil cost of special education program calculation sheet either K-12 or EEE operated by the school district<br><i>Include the name of the program and the number of school days that the student was enrolled and the daily per pupil rate.</i>  | <p>Per pupil cost calculated by the district for its own special class or self-contained special education programs. Use the District Special Education Program Calculation Sheet to calculate the program cost per pupil and then calculate the amount for the student based on the daily per pupil rate times the number of days that the student was enrolled. Please note that this category can be used for summer school programs and EEE programs as well as K-12 school year programs.</p>  |
| <b>Special Education Tuition</b> – per pupil cost of special education program paid to another public school or independent school<br><i>Include name of program and school district or organization that operates the program.</i>  | <p>Per pupil cost charged to the district for <b>self-contained special education programs</b> if the placement is required by the student's IEP. This includes special education separate day programs not located in a public school such as ON-TOP, Wilder School or Baird and <b>special education classes</b> within a public school, academy, or vocational center. This does not include regular education tuition or regular tuition charged by a technical center.</p>   |
| <b>EEE Instruction and Speech Services</b> – cost of Essential Early Education program based on per pupil calculation using District Special Education Program Calculation Sheet or the cost of the IEP services using the IEP Instructional Cost Calculation Sheet<br><i>Include the name of the program and the number of school days during the period that the student was enrolled and the daily per pupil rate with attach the program calculation spreadsheet or attach the IEP Instructional Cost Calculation Sheet.</i> | <p>Essential Early Education instructional and speech services provided directly by or under the supervision of a licensed early childhood special educator or speech pathologist. If the services are provided in a center-based program, the program calculation spreadsheet should be used to calculate the daily per pupil rate. That rate times the number of days of service is used to calculate the cost. If the services provided are in addition to a center-based program or only outside a center-based program, the IEP Instructional Cost Calculation Sheet is used to calculate the billable amount.</p> |
| <b>Evaluation</b> – costs associated with special education evaluations to determine eligibility<br><i>Include type of evaluation such as psychological, OT, PT, etc.</i>  | <p>Evaluations performed as part of comprehensive or supplemental evaluation plan. Cost of evaluations performed by mainstream Special Educators are excluded.</p>  |

| <b>Service Description and Additional Information to be Reported</b>   | <b>Definition of Services Included in Service Category</b>  |
|--|---|
| <b>Individual Aide</b>   | Paraprofessional hired for individualized supervision and/or instruction during the school year as required by the student's IEP.   |
| <b>Transportation</b>  | Transportation services required by the student's IEP excluding regular school bus service. The service needs to be specifically listed as a related service in the student's IEP for the cost to be considered a special education cost. |
| <b>Behavior Consultation</b>   | Behavioral consultant or specialist who provided consultation for school staff or direct services as required by the student's IEP.   |
| <b>Counseling</b>  | Direct counseling or therapy provided by psychologist or mental health professional as required by the student's IEP.   |
| <b>Vocational/Community/ Independent Living Training</b><br><i>Include specific service provided to the student.</i>   | Employment specialist, job coach or other services related to preparing for or providing student employment opportunities, providing work experience or independent living skills required by the student's IEP.                          |
| <b>Occupational Therapy</b>  | Direct services or consultation by a registered OT or an aide working under their direct supervision as required by the student's IEP.  |
| <b>Physical Therapy</b>  | Direct services or consultation by a registered PT or by an aide working under their direct supervision as required by the student's IEP.   |
| <b>Hearing Services</b><br><i>Describe specific services provided to student.</i>  | Services relating to auditory issues including hearing consultant services, interpreters, cues speech transliterators and assistive technology training services.   |
| <b>Supplies</b><br>Include description of type of supplies   | Specialized supplies required due to the student's disability such as a special computer program or large print books as required by the student's IEP.   |
| <b>Equipment</b><br>Include description of equipment   | Equipment required by the student's IEP due to the student's disability.  |
| <b>Contracted Tutoring Services</b>  | Tutoring services provided as a contracted service as required by the student's IEP   |
| For <b>all others</b> , enter a brief description of service being provided. Other services may include hearing related services, specialized communication, vision services, assistive technology, and medical or nursing services. | Other services that are required by the student's IEPs and whose costs meet the allowable cost definitions can be claimed.  |

**Dates of Service:** The date of service should include **the beginning and ending date for the individual service for that student**. If the service is an individual aide who started on August 27<sup>th</sup> (the first day of school), then the period reported would be 08/27/08 - 10/31/08 for the first report. If the student moved out of the district on 11/12/08, then the period on the later reports would be 08/27/08 - 11/12/08. If the service lasted to the end of the school year, show the actual last day of school. Do not use 6/30/09 as the ending date unless that service was provided through that date. Only use separate lines for the same service for a student if there is a break during the time period the service is being provided.

**Cost of Service:** List the cost of each service for the student indicated. All of the costs included here should be included on the top section of Part I of Page 1. If the cost is billed from an outside vendor for the one student, you simply list the amount from the bills. If it is a service provided by

a staff member, you may need to use either the cost needs to be calculated based on the staff person's caseload or actual time spent working with that student. You need to document the way you calculate the cost and keep the backup documentation with your reports.

**Total:** At the bottom of the sheet, total the amounts in the cost column. This total is the amount to be entered on Page 1 as the total on the “State-Placed Student Cost (Worksheet A)” line. The costs for K-12 students need to be divided between the “Eligible” and “Ineligible” columns while all the cost for Pre-School students is reported in the “Preschool” column.

**IEP Instructional Cost Calculation Sheet for State-Placed Students** is used by a school district to calculate the cost for special education instructional services provided to a State-Placed student placed in their district and being educated by their staff. The calculation sheet is a three part sheet with the first part listing the instructional services listed in the student’s IEP. The IEP information includes the specific services with the frequency and duration of each. The school district needs to add information on the group size and calculate the amount of services that the student receives as well as the hourly rate for each service provider and the amount that the school district spent providing those services.

**District Special Education Program Calculation Sheet** is used by a school district to calculate the daily cost for special education programs that it operates. The calculation only includes allowable special education cost for K-12 programs but can also be used for preschool special education programs. The calculation sheet is used to calculate the daily rate of the program to document the rate being charged for the State-Placed student on Worksheet A.

**Worksheet A Review Process:** When Worksheet A’s are received by the Department of Education, they are reviewed to ensure that:

1. the reporting school district is the district where the student resided for the dates claimed;
2. the student meets the definition of State-Placed (16 V.S.A. §11 (28)(a)) for the period claimed;
3. the student is eligible for special education and the services are required by an IEP or the service is part of an evaluation to determine special education eligibility;
4. the description of the service is understandable and complete and is an appropriate IEP service;
5. the calculation sheets are included for district operated programs and IEP instruction cost and
6. the cost seems reasonable for the service and period covered.

The supervisory union is sent a Claim Approval memo stating which services have been approved for payment and which services are pended or denied. For services that are pended or denied, the memo explains the reason for not allowing the claim and the action needed to resolve the issue. It is important to respond to the Claim Approval memo on a timely basis. When payments are made, the department will only pay for approved Worksheet A claims. If you have questions about a State-Placed student’s status and/or dates billable on Worksheet A, contact Donna Trucksess at (802) 828-5931.

**NOTE: Worksheet A is only submitted if the reporting entity has costs to report. Blank Worksheet A’s should not be submitted.**



**INSTRUCTIONS FOR WORKSHEET B:**

This form is used to claim extraordinary reimbursement. Extraordinary reimbursement only applies to students over the age of three whose special education **costs exceed \$50,000.00 for FY-2009**. The costs included here should be included in the special education expenditures at the top of Page 1 as eligible costs for students in kindergarten through 12th grade or in the “Pre-School” column for Pre-School students. Only formula eligible costs can be included for a student which eliminates any costs paid from federal funds or other grant funds (except Mainstream Block Grant). This report is cumulative from July 1, 2008 through the end of the reporting period. **Do not report students until their costs have exceeded the \$50,000.00 amount.**

**Student's Initials:** Enter the student's initials. Use one line per student to record the costs for the fiscal year. (If costs were paid during the year for prior fiscal years, you need to amend the reports for the prior year to receive reimbursement for those costs.) **Do not include students whose costs you are billing on Worksheet A.**

**Student ID Number:** Enter the student's seven-digit identification number. (If you need an ID number for a new student, check with the school district person responsible for the student census.)

**Date of Birth:** Enter the student's date of birth using the format of 06/04/90 for June 4, 1990.

**Disability Category:** Enter the code that reflects the student's primary category of disability.

| <u>Code</u> | <u>Disability Category</u>      | <u>Code</u> | <u>Disability Category</u>   |
|-------------|---------------------------------|-------------|------------------------------|
| 01          | Learning Impairment             | 08          | Other Health Impairments     |
| 02          | Hearing Impaired                | 09          | Specific Learning Disability |
| 03          | Deaf                            | 10          | Deaf-Blind                   |
| 04          | Speech/Language Impaired        | 11          | Multi-handicapped            |
| 05          | Visually Impaired               | 12          | Developmentally Delayed      |
| 06          | Emotional-Behavioral Disability | 13          | Traumatic Brain Injury       |
| 07          | Orthopedically Impaired         | 14          | Autism                       |

**Student's Town Code:** Enter the code for the town of parent's legal residence such as T001 for Addison.

**Residential placement? (Yes or No):** Indicate “yes” if the student was in a residential placement (providing service for 24 hours a day) at district expense for any part of the fiscal year. If a student was not in a residential placement at district expense for any portion of the fiscal year, enter “no.”

**COST BREAKDOWN:**

The remaining categories are for the costs for special education services provided to the student as required by the IEP for the fiscal year. For K-12 students, only report eligible special education costs not paid from Federal or miscellaneous state or local grant funds. All costs reported are to

be actual costs based on what has been paid for services provided from the beginning of the fiscal year to end of reporting period. **You are not to include any costs paid by Federal funds** or the cost of special education administration. For pre-school students, you can only include those costs above and beyond costs charged to State EEE, local and Federal grants.

**Special Education Tuition:** Include the amount of special education tuition (object code 560s) paid for this student. If the tuition is for a public school non-collaborative program, only include the portion of the tuition relating to eligible costs, which must be indicated on the bill. Regular education tuition or regular technical center tuition is not to be included here, as it is not a special education cost.

**Equipment:** Enter the amount paid for equipment (object code 700s) purchased for this individual student as required by the student's IEP.

**Other Direct Instructional Costs:** Enter the cost of all other direct instructional services required by the IEP and provided to this student. This cost includes all special education expenses coded to function code series 1200, Direct Instruction, except Tuition (560) and Equipment (700). Some of the costs which can be included here are: Resource Room Instruction, Consulting Teacher/Learning Specialist Services, Behavioral Specialist Services, Integration Facilitator Services, Individual Aide, Adaptive Physical Education, and special textbooks.

**Related Services:** Enter the cost for related services required by the IEP and provided to the student. This includes all special education expenses coded to function code series 2100, except for Tuition (560) and Equipment (700). Some of the costs which can be included here are:

|                               |                               |
|-------------------------------|-------------------------------|
| Speech/Language Services      | Special Education Evaluations |
| Occupational/Physical Therapy | Audiology and Deaf Education  |
| Counseling Services           | Interpreter Services          |

**Transportation:** Enter the cost of the specialized transportation (function code 2700) required by the IEP.

**Total Cost:** Enter the total of the amounts listed in the cost breakdown columns (from "Special Education Tuition" to "Transportation").

**Eligible Extraordinary Cost:** Subtract \$50,000.00 from the total cost to calculate the amount eligible for extraordinary cost. The total of this column is entered on Page 1 on the Extraordinary Cost line breaking the amount between the "Eligible" and "Pre-School" columns based on whether the student is in pre-school or not.

**Please note that supervisory union, interstate school district or joint contract district reporting entities must complete the bottom half of the sheet if any costs are reported on Worksheet B. For interstate school districts, the only students listed must be Vermont students that are being charged to one of more Vermont towns.**

**Distribution of Extraordinary Cost to School Districts:** The amount shown as the "Total Eligible Extraordinary Cost" from the top of Worksheet B must be apportioned to the member school districts. All extraordinary reimbursement is sent to the school districts and this section allows us to determine how the reimbursement should be divided up between school districts. The division of the extraordinary cost between school districts must be based on how the school

districts contribute to the extraordinary special education costs. If the costs are paid through the normal special education assessment, then those assessment percentages are used to determine each school district's share of the extraordinary cost. If a different assessment method is used for these extraordinary costs, then that method will be used to divide the costs between the school districts. The total of the breakdown between school districts must agree with the Total Eligible Extraordinary Cost on the top portion of the form.

**NOTE: A reporting entity should only file Worksheet B if there are students whose eligible costs exceed \$50,000.00.**

### **INSTRUCTIONS FOR WORKSHEET C:**

Worksheet C is used to capture information on the cost of residential placements paid by school districts for the fiscal year. This page is only required with the final reports due on August 1st. This page is required whether or not there are any students to report. If there are no students to report, complete the header of the form and note "none" on the form.

**This report is to include all special education students who were residentially placed (in a 24 hour a day placement requiring approval by the residential review team) and whose placement is being paid for by the school district.** Only include the cost of the student's program while the student is residentially placed. Also, information is reported separately for each residential placement and the costs only include those incurred for the student's services during the residential placement - not before or after.

**Student's Initials:** Enter the student's initials. Include students even if listed on Worksheet B. Use a separate line for each placement if a student was in more than one residential placement during the fiscal year.

**Student ID Number:** Enter the student's seven-digit identification number. (If you need an ID number for a new student, check with the school district person responsible for the student census.)

**Date of Birth:** Enter each student's date of birth such as 06/19/89 for June 19, 1989.

**Disability Category:** Enter the code which reflects the student's primary category of disability. See chart on page 17 under Worksheet B for listing of the categories.

**Student's Town Code:** Enter the code for the town of parent's legal residence such as T001 for Addison.

**Name of Residential School:** Enter the brief name of the residential facility such as Austine for Austine School for the Deaf and Hard of Hearing.

**Date Entered Residential for Year:** Enter the first day for the fiscal year that the student is residentially placed. If the student continued in a year-round residential placement from the prior fiscal year, use 07/01/08. If the student continued in a residential placement but the program operates on the school year, use the beginning date for their school year. For students who are entering a residential placement during the year, enter the first day of the placement.

**Last Day in Residential for Year:** Enter the last day that the student is residentially placed for the year. If the student left the placement, enter the exit date. If the student remained through the end of the fiscal year, enter 06/30/09. If the placement runs on a school year basis and the student stayed to the end of the school year, enter the last day the school was in session.

**Cost Breakdown for Student's Residential Placement:** Only include costs incurred for the period of time that the student was residentially placed. If the student is residentially placed for the whole school year, include the costs for the school year but exclude the cost of any summer program. This section uses the same categories as Worksheet B. Please refer to those instructions if you have questions on the categories. Only include costs paid by the school district. If a portion of the costs for the residential placement is paid by a State agency, note that on the bottom of the form.

**Total Cost:** Enter the total of the five cost categories which represents the total cost to the school district for the student during that residential stay within the current fiscal year.

***SUBMISSION OF REPORT:***

**Be sure that Page 1 is signed and dated and that the form header information is complete. Check that the period ending date is completed, and that the reporting entity's name and supervisory union number are entered on each page. Check that Page 2 is completed on the back of Page 1. Only submit Worksheets A and B if there are costs entered on that particular worksheet. Worksheet C must be submitted by all entities, but only with the final report.**

Submit completed form with **original signature** to: Margaret Schelley  
Department of Education  
120 State Street  
Montpelier, Vermont 05620-2501

Please keep a copy for your records with any supporting documentation for three years. Questions should be referred to Margaret Schelley at (802) 828-5119 or Lisa Allard at (802) 828-0769.